



China Trip Update

Meetings confirm vanadium market is vibrant

Highlights:

- **Mastermines completes first marketing trip to China on behalf of AVL.**
- **Trip considered an outstanding success in opening up communications with leading vanadium players within China and beyond.**
- **Trip confirms that the present market for vanadium is vibrant and the urgency from consumers in obtaining supply.**
- **Feedback on the technical and commercial requirements of potential partners provides AVL with assurance about present strategy and guidance on the next stages of work on the Gabanintha Vanadium Project.**
- **Follow-up trip to China planned for early 2018.**

Australian Vanadium Limited (ASX:AVL, “the Company” or “AVL”) is pleased to announce that Mastermines has successfully concluded its first trip to China on behalf of the Company.

The purpose of the trip was to meet with key participants in the Vanadium market in order to better understand what is required from potential customers and investors.

China focused Materials Marketing

Mastermines is assisting AVL with an active approach towards future Chinese investment, as the Company seeks to develop interest in the Gabanintha vanadium project and markets for its potential products. Vanadium products are in high demand as steel additives and for an ever-widening range of energy storage related applications.

Managing Director Vincent Algar commented, “We are very pleased with the feedback Mastermines has provided from their recent meetings across China. The urgency indicated from vanadium market participants in China gives us further confidence in the steps we are following at Gabanintha. We believe that rapidly progressing the path to production will meet the expectations of potential partners”

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ASX ANNOUNCEMENT

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Projects:

Gabanintha – Vanadium
Blesberg, South Africa –
Lithium/Tantalum/Feldspar
Nowthanna Hill –
Uranium/Vanadium
Coates – Vanadium



● GABANINTHA ● PERTH
● PORT HEDLAND ● PORT GERALDTON

Mastermines' Director David Gillam commented, "We consider that our first trip was an outstanding success in opening up communication with leading players within China and beyond. There is little doubt that the market for vanadium is a vibrant one and that there is some urgency in obtaining supply. China is very much focussed on both speed and results".

Confidential meetings were held with leading battery manufacturers, State Owned Enterprises and those that have major influence in the market. Mastermines and AVL are focusing on high-quality partners and will be working diligently to attract the right party(s) to become involved in the development of a world class resource. The objective of the China marketing approach is to open the right doors to assist management in considering multiple options going forward."

Mastermines is a mining materials promotion and marketing consultancy with an experienced China-focused team. The Mastermines team has over 30 years' experience in Australia and Hong Kong and its websites at Lithium World and Vanadium World provide active commentary to analysts, media, investors, miners and funds. Strong local research from the Chinese mainland is supplied by the team.

AVL is working with Mastermines over an initial 12-month period.

AVL's current activities are focused on advancing the Gabanintha vanadium project towards a feasibility study and production.

The Company will undertake a follow-up trip to China early in 2018.

Australian Vanadium Limited holds 100% of the Gabanintha Project near Meekatharra in Western Australia. Gabanintha hosts a declared Mineral Resource at Gabanintha comprising 179.6Mt at 0.75% Vanadium Pentoxide (V_2O_5), made up of a Measured Mineral Resource of 10.2Mt at 1.06% V_2O_5 , an Indicated Mineral Resource of 25.4Mt at 0.62% V_2O_5 and an Inferred Mineral Resource of 144Mt at 0.75% V_2O_5 .

The Mineral Resource includes a distinct and globally significant, massive magnetite high-grade zone of 92.8 Mt at 0.96% V_2O_5 consisting of a Measured Mineral Resource of 10.2Mt at 1.06% V_2O_5 , an Indicated Mineral Resource of 4.8Mt at 1.04% V_2O_5 and an Inferred Mineral Resource of 77.8Mt at 0.94% V_2O_5 .

The Mineral Resource provides a solid basis for the current detailed metallurgical test work and advancing the project towards detailed feasibility.

For further information, please contact:

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Competent Person Statement — Mineral Resource Estimation

The information in this report that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (Consultant with Trepanier Pty Ltd) and Mr Brian Davis (Consultant with Geologica Pty Ltd). Mr Davis is a shareholder of Australian Vanadium Limited. Mr Barnes and Mr Davis are members of the Australasian Institute of Mining and Metallurgy and have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Barnes is the Competent Person for the estimation and Mr Davis is the Competent Person for the database, geological model and site visits. Mr Barnes and Mr Davis consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The information is extracted from the report entitled “Significant vanadium resource upgrade at Gabanintha” released to ASX on 5 September 2017 and is available on the company website at www.australianvanadium.com.au.

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resource or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the competent person’s findings are presented has not been materially modified from the original market announcement.